



**Ministry of Manpower
Higher College of Technology
DEPARTMENT OF BUSINESS STUDIES**



CASE STUDY AND ACTIVITY BOOK

ENTREPRENEURSHIP | COURSE CODE: BAMG 2111

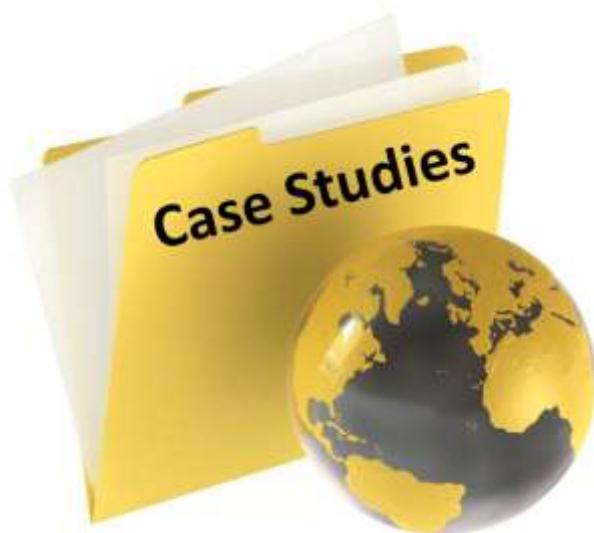
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PART A

CASE STUDY



CHAPTER 1:

CASE STUDY 1.1 - SUCCESSFUL ENTREPRENEURS: WALLY'S FAST FOOD RESTAURANT

Waleed Zahir Al Wahaibi, Al Wally's Fast Food Restaurant
Muscat, Sultanate of Oman, www.alwallys.com

Overcoming challenges are what successful entrepreneurs are all about, and Waleed has already proved it. Not only has he introduced the idea of fast food into an untried market, he has also fought off competition from the multinational brand names.



While studying in the USA, Waleed covered the cost of his tuition fees by working in a leading fast food chain. During this time, Waleed gained knowledge about the fast food industry. And he got several promotions and finally became the manager of the restaurant

Encouraged by this experience, he decided to research the potential for fast food on his return to Oman. Waleed's idea to start his own business, and the first independent fast food outlet of its kind in Oman, became a reality in 2003 with the launch of Al Wally's.

Al Wally's mouthwatering fast food formula of burgers, hot dogs, salads, fish, chicken and fries has proved to be extremely popular, attracting a growing number of customers. Its growing reputation for providing delicious, high quality fast food with extraordinary service has also been recognized by receiving several prestigious awards.

The business has come a long way in a short time. Al Wally's has expanded to include three branches with another two due to open soon, and the company has grown to employ 24 staff, in a short time.

Inspired by his success to date, Waleed is aiming to grow the business further with ambitions to set up his branches throughout the Middle East and ultimately to create a international brand.

Questions for discussion:

1. What is important for entrepreneurs to become successful?

2. How did Waleed get the idea of starting a fast food restaurant?

3. Do you think Waleed is successful in his business? If yes, explain.

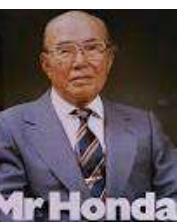
4. What is the future plan or ambition of Waleed?

Chapter 1:

CASE STUDY 1.2 – IDENTIFYING THE ENTREPRENEURIAL COMPETENCIES.

After discussing the competencies of the entrepreneur, the students would read this handout and find out the competencies of these great entrepreneurs.

Duration: 30 minutes

	The inventor of the light-bulb is famous for his persistence. When he was a boy his teacher told him he was too stupid to learn anything. When he set out on his own, he tried more than 9,000 experiments before he created the first successful light bulb. When asked by a reporter about his numerous failures in inventing a working light-bulb he made the famous quote: "I have not failed 10,000 times. I have successfully found 10,000 ways that will not work."
	Henry Ford's first company though – Detroit Automobile Company – went bankrupt in 1901, because of “customer complaints of high prices and low quality” and other. The second company – Henry Ford Company- failed due to a fight with a partner and his third company nearly collapsed because of low sales. Later he started, Ford motors and made it a grand success.
 Mr Honda	Soichiro Honda was turned down by Toyota Motor Corporation during a job interview as "engineer" after World War Two. He continued to be jobless until his neighbors starting buying his "home-made scooters". Subsequently, he set out on his own to start his own company. Honda. Today, the Company has grown to become the world's largest motorcycle manufacturer and one of the most profitable automakers - beating giant automaker such as General Motors and Chrysler.
	Colonel Sanders : The founder of KFC. He started his dream at 65 years old! He got a social security check for only \$105 and was mad. Instead of complaining he did something about it. He thought restaurant owners would love his fried chicken recipe, use it, sales would increase, and he'd get huge profit. He drove around the country knocking on doors, sleeping in his car, wearing his white suit. Do you know how many times people said “NO” till he got one yes? 1009 times!

Questions for Discussion:

- a. Identify the competencies of all these great entrepreneurs.

- b. Write the names of the entrepreneurs and describe the entrepreneurial competencies they have.

Chapter 1:

CASE STUDY1.3 – ‘SALIM’S BUSINESS VENTURE - BIG IDEA, POOR EXECUTION! THE DREAM:

Salim after completing his schooling in Oman went to the UK to complete his studies. After completing his studies, he worked as an intern in a product survey firm in the UK. Though he was doing well, he wished to go back to his country and start his own business. He had seen opportunities available and the support given by the Omani government to start a business. He wanted to put his big business idea into action. He wanted to start his own company.

Salim - an entrepreneur now: He decided to quit and returned to Oman with dreams in his eyes. He started a service company with just three people. The company had a flat hierachal structure as there were not many functional areas. The team was highly motivated and the company does well.

The expansion: As he is able to work well, he realizes the need to expand and hence starts a small manufacturing unit for marine products, after raising funds through Oman Development Bank. Now he has to employ people for production, sales and marketing, research and development, finance and administration. The company has adopted a tall hierachal organizational structure. Salim is still the managing director, but he has got various department heads under him and in return the heads have a small team reporting to them.

Problems at hand: Salim could work well within the flat hierachal system, however, now with many functional areas and tall hierachal system, Salim feels restricted. He would like to be in touch with every member but it's not possible. Hence tries to control more. He is not able to delegate and empower people. The managers are not able to set short term targets for the team. There is no feedback given for the job done. There is confusion and roles and responsibilities are not assigned clearly. Evidently, the reporting structure is not set .He hasn't realized the need for incentives, perks, recognition to be given to his employees as he can see that the work is not done properly. The employees feel neglected and have no place to take their grievances to. Furthermore, individuals were not assessed properly before being recruited and they resist any kind of change that is brought about. Employees lack motivation, they are not committed to work and there is lack of trust and accountability. Salim has come to know that the production department is not performing well, deadlines are not met, there is a high rate of absenteeism and there is lack of coordination between the departments. When the quarterly profits are not achieved, people start to blame internally, e.g. sales department did not achieve the target, production team did not meet the deadline or finance did not support in giving credit terms! Salim is not able to deal with such employees. He loses temper most of the time and has fired some without giving them another chance, though this action did not solve his problems. Employees are not emotionally mature. Tempers run high and more often than not there are altercations.

What to do now: Salim is disheartened. He doesn't understand where he has gone wrong and how a profit making company has become a loss incurring one. What should he do?

Questions:

1. What motivated salim to start his own company?

- ## 2. What factors failed the company?

3. Suggest steps for Salim to improve the situation and bring the Company out of problems.

CHAPTER2:

CASE STUDY 2.1 – CONTRIBUTION OF SMES TOWARDS ECONOMIC DEVELOPMENT.

Ibrahim is forty years old. He currently lives in Oman. His father worked as a cook in a restaurant. He attended secondary school. After schooling, he did not qualify for college. So he was admitted in a technical institute where he enrolled in a two year course in tailoring. On completion of his course, he was employed by a tailoring company in the industrial area of Oman.

He worked for this company for 2 years. Then he decided to start his own business. He obtained a loan from a commercial bank as capital for the business. From his savings and from the savings of his wife, he contributed additional capital. Ibrahim then rented a room in the shopping centre near to his house. He bought 4 sewing machines. He bought cloth from a shop in Oman and then employed 4 skilled tailors to sew the cloths. At first, he made dresses, trousers and shirts. He displayed the products in his shops for the customers to come and buy them.

Ibrahim worked day and night. He visited several companies in the city where uniforms (for schools and companies) were produced in large quantities. Two big companies placed orders with him to supply uniforms. To be able to meet these orders he needed to employ 5 full time employees and 2 employees on a part time basis. He also needed to buy 3 more sewing machines. As Ibrahim's business expanded, he needed additional space. He rented a bigger room in a popular place in town.

He continued supplying uniforms to the two companies. At this time, he needed to employ an accounting clerk to deal with the records and handle cash for the business and few more tailors. Later, he participated in an exhibition and got opportunities to expand his business and started exporting cloths to all the gulf countries and also few countries in North Africa. He got orders from big companies in gulf region and so he had to hire more tailoring staff and needed to appoint a manager for his business, because it has become big now.

Ibrahim had to travel to other countries frequently. Ibrahim is friendly to his customers. They like him because of the quality of his products and his honesty. His employees also like him because Ibrahim pays his employees a good salary. He also gives them travel allowance in addition to their monthly salaries. He also organized an insurance scheme for them. His customers and employees nick named his as “fashion” and he also liked it.

Question for discussion:

1. Do you think Ibrahim contributes for the Economic Development of Oman? If yes, write down the ways through which Ibrahim is contributing to the economic development of Oman?

2. What made customers and employees like Ibrahim?

Chapter 2:

CASE STUDY 2.2- STUDENTS ENTREPRENEURS IN OMAN

Don't call them Students they are entrepreneur.

Sama Al Subhi and Heba Al Harthy are typical college students but they are among a growing number of young women who are juggling academic excellence with the management of their newly established businesses.

The two have been friends for four years studying together and doing their undergraduate degree in Airport Management. But that is not the only commonality they share. Sama and Heba have established a fashion design business just three months ago with the support of their families. With little funds of their own, the two women have turned one of the rooms in Heba's house in Al Hail into an office and a workshop.



"We had this idea for quite a long time. Women's fashion is in demand in Oman. Many women want to look good when they wear clothes and most of them will not want to repeat the same clothes in weddings or other events. We thought of testing the market three months ago and we have been quite successful so far," 23-year old Sama told Thursday magazine.

They have already sold a number of clothes in that short span of time but the biggest challenge they face is not to market their product but to find time with the pressing demands of their academic work.

"We are still students and we have classes to attend, assignments to write, presentations and sit for our examinations. It is not easy to divide ourselves into two separate lives and ambitions. We have to achieve good grades but at the same we don't want to abandon our new business since we already see a good potential ahead of us," Heba, who is in the same age as her business partner, explained.

They also know that being proactive and go for opportunities are key to their business success.

"We have to start here because our fellow students we have around us are not only our present customers but future clients as well. They will have more money when they go to work but the most important thing we have already established a business relationship with them and they will always come back to us for their fashion needs," Sama explained.

Earlier this month, state-run Al Raffd Fund has announced a soft loan of RO1,000 for higher education students for their business start-ups. Al Raffd Fund also has loan schemes starting from RO10,000 to RO100,000 available to all Omani citizens from the age of 18 to 55. Some banks also encourage young people to start SME projects with easy financing credit to help them realise their entrepreneurship dreams.

But for Sama and Heba, bank financing would come later and perhaps they may never need to go into that route. They rely on a pool of resources around them such as advices from teachers, parents and training they acquired from local-based designers. But above all, the two women have a lot of determination to succeed and they are under no illusion that the path towards business independence will be smooth sailing.

"It is not going to be easy to establish ourselves in this very competitive trade. We still need to graduate so we can go to work. The money we get will finance our business. We are good in dividing ourselves into two tasks. Our plan is to work for five years and then devote 100 per cent to our business and we are not planning to fail in our ambitions to become our own bosses," Heba said.

Both women admit that launching a business from college or university campuses is never an easy task but with better coordination and all-round support it can be achieved.

"If we did not start here I don't think we would have done anything about it after we start work," Sama explained, "here we have the drive and energy and it will be easy to continue after graduation."

1. What are the motivating factors to be a student entrepreneur?

2. What are the resources they have preferred for their business?

Chapter 2:

CASE STUDY 2.3- STARTING A COMPANY FROM HOME: SALMA'S CHOCOLATES IN OMAN



Aisha Al Hajri, co-founder of Salma's Chocolates, which specializes in making Omani chocolates, made an interesting presentation highlighting the key challenges she and her sister Salma faced as well as the future expansion plans for their SME venture. Salma's Chocolate is considered a successful SME model for youth in Oman to start their own projects.

Salma and her sister Aisha started the company in 2009 from their home and were the first chocolatiers in Oman. They make chocolate using local ingredients such as Omani honey, milk, thyme, ginger and lemon, as well as Belgium chocolate. Salma's Chocolates buy products from local farmers in an attempt to support local workers and contribute to the growth in the local economy.

"We started with OMR 5 (USD \$10) and bought a few raw products, then worked on making chocolate from home," Salma revealed. After two years, they opened a small shop and received support from the Ministry of Commerce. Salma hopes to build a successful model that will inspire youth in Oman and in the region to start their own project.

Sources:

- <http://www.muscatdaily.com/Archive/Oman/Omani-handmade-chocolate-brand-launched-in-Qurm-Imkx>

Questions for discussion:

Q1. What is the competitive edge of Salma's Chocolates?

Q2. What are the Key success factors of Salma's chocolate?

CHAPTER 4:

CASE STUDY 4.1- FOUR LESSONS LEARNED FROM FAILURE: THE STORY OF AN OMANI SERIAL ENTREPRENEUR:

Being an entrepreneur in a small and young market like Oman is not easy if you don't go lean. With only some 3 million citizens as your potential clients, launching a new product without thoroughly studying the market needs is not a good idea.

Omani serial entrepreneur Qais Al-Khonji admits that he failed at his first startup because he did not research the market's needs, and did not follow a lean methodology, which would involve testing and iterating his approach based on market response.



But Al-Khonji has embraced his failure, and moved on to his next projects. "I try and learn even though this means losing. I consider the benefits to be in learning and failure a step towards success," he says. Al-Khonji is not your typical entrepreneur; you wouldn't necessarily meet him at an entrepreneurship event, or watch him pitch his startups to investors.

He's started five startups in the past three years, and he's embraced failure with most of them, closing down four. But business is what he loves, and he's ready to get back up and do it again. "I want to be my own boss and work at what I love doing," he confessed.

Al-Khonji focuses on the importance of applying a lean methodology in Oman and reveals some of the challenges entrepreneurs from family businesses in the Gulf might face.

The son of a well-to-do Omani family that runs real estate business **Mohamed and Ahmed Al-Khonji** in the U.K., Dubai and Oman, 32-year-old Al-Khonji worked in banking for many years and now makes a living by advising four of his family companies. Yet in 2010, he decided to throw himself into entrepreneurship, starting by launching his first company, Qais United Agency, which imported and sold Chinese water filtration systems in the Omani market. After 18 months, in mid-2011, Al-Khonji closed it down because it didn't get the traction he was hoping for.

Then, in early 2012, he launched 4 startups at once, offering services in very different sectors, including education, health tourism, an electrical freezing technology, and digital meters for water and electricity. Three of them failed, he says, again because they didn't succeed quickly enough, and he wasn't motivated to stick it out.

Now, he is focusing on his digital meter company, hoping to build it into a "long term business," he says. "It will take some time to pick up and make revenue." He's also working as a reseller for **Thermax**, an Indian engineering solutions company in Oman, and is in the process of launching solar energy products.



Shifting from a family business to a completely new entrepreneurial mindset is not something that happens overnight, but moving towards a lean approach could help him find better product-market fit. Here are a few lessons to take away from his story:

1. **It's important to focus.** Al-Khonji is embracing what could be called the spaghetti approach: throw several things against the wall and see what sticks. "We want to start a new company every year in March, as this is when I receive my yearly salary. And we

are always in the process of looking for people with the know how to launch a startup. This is our new philosophy," he says. He's working hard to launch viable ideas, and embraces each failure as it comes, but perhaps could use a bit more focus.

Lean approach: **Take it one startup at a time.**

2. **Market research is critical.** In the five startups that he already launched, Al-Khonji choose the sector according to his own skills (business) and his partner's skills (education). He'll be the first to admit that he didn't study the market needs to determine if someone would actually use the products he is importing.

Lean approach: **Look at market needs.** An exciting idea is not enough if the market isn't hungry for it.

3. **Know your customer.** During his work on Qais United Agency, Al-Khonji admitted that he imported products that ended up not surviving in the market. Because the Omani market is very small, and monopolized by strong international brands, his Chinese products didn't have a chance, he says, and it was difficult to convince consumers to buy them. At the time, he didn't realize how important the quality of the product was. Perhaps in Oman, a services company is a lower hanging fruit, he decided.

Lean approach: **Test the customer's appetite for your product or service before launching.**

4. **Know what you love.** There's always a balance between launching something that the market needs, and something that you want to build; if you're too in love with your own idea, you might not listen enough to the market. However, it's also important to have a passion for what you're building. While chatting with Qais, I noticed that he is not building any of the startups out of passion. He's passionate about business, but not any of his specific initiatives. It's great that he's creating job opportunities in Oman and contributing to the economy, but as an entrepreneur he might not be able to stick to an idea unless he can put his heart into it.

Lean approach: **Find your passion.**

Al-Khonji is, at his core, an aspiring lean entrepreneur; he advises other entrepreneurs to have patience, focus and have the courage to lose. "Try more than once before you give up, and be very focused on your work," he says. "I like to try and learn even though this means losing, the benefit is in learning and failure is a step towards success."

By making the leap into entrepreneurship from a family business, and by not being phased by failure, Al-Khonji could be an example for others to follow who work in family businesses; he might be able to lead a generation into a new mindset in Oman.

Source: *Maya Rahal,(2013):*<http://www.wamda.com/2013/08/four-lessons-failure-omani-serial-entrepreneur>

Q1. What are the reasons of Qais Al-Khonji business Failure initially?

Q2. What lesson he learned from his failure?

Q3.What are the approaches he adopted to become successful entrepreneur?

CHAPTER 4:

CASE STUDY 4.2- BUSAFI DESIGN: NATIONAL BUSINESS CENTER INCUBATOR.

Busafi Design for multi-disciplinary designs have joined National Business center incubators, which aims to develop the potential of incubated projects, and to provide support in advisory and accounting dieseline , in order to developing the project activities to become professional in their field.

Busafi Design operates in several areas, including architectural design, digital design, graphics and modern art, artistic production and the production of films and multiple ads. Busafi Design dependent on innovation, modernity through generating new ideas inspired by a deep understanding of the culture and heritage of Oman. This is developed by adopting the latest technologies, software designs, and the development of multi-skills and discovering new methods.



The founders of the company are looking forward to expanding more with the support of the National Center incubation program where as the center's aim is to embraces innovation and provides a suitable environment for growth and prosperity of SME's.

Source: <http://www.shabiba.com/News/Article-29293.aspx>

Q1. What is the right decision that Busaif Design has taken for setting up their business?

Q2.What is the aim of the Busaif Design?



PART B

STUDENT CLASS ACTIVITY



CHAPTER 1:

SCA-1.1-CHECKLIST OF ENTREPRENEURIAL CHARACTERISTICS

Activity time: 20 minutes

Instruction to the student:

Ask yourself the questions below to see whether you are the sort of person that could set up and operate a business.

	Questions	YES	NO
1.	I think that a routine pattern of life with regular working hours suits me best	.....	.....
2.	I have always thought and acted by myself	.....	.....
3.	Some days I seem to achieve nothing	.....	.....
4.	It is not good to start something unless you are going to finish it	.....	.....
5.	I am much happier when I do not have to rely on other people	.....	.....
6.	I often feel that I am the victim of events that I cannot control	.....	.....
7.	In any bad situation I always get something good from it	.....	.....
8.	It is very important to me that people recognize my success	.....	.....
9.	I am not too ambitious so that I can avoid being disappointed	.....	.....
10.	I am prepared to take risks only after I have thought about all of the possible consequences	.....	.....
11.	When I talk to a senior person I do not usually say what I mean	.....	.....
12.	People often tell me that I am good at understanding their point of view	.....	.....
13.	The amount of money that I earn is more important than how hard I work to earn it	.....	.....
14.	I usually work later than I planned	.....	.....

Answers:

Yes to questions 2, 4, 7, 8, 10, 12, 14

No to questions 1, 3, 5, 6, 9, 11, 13

Score 5 points for every correct answer and 0 points for every incorrect answer. The higher the score the more likely you will be a successful entrepreneur, **but a score above 35 is a good sign.**

Chapter 1:

SCA-1.2 - SELF-EMPLOYMENT AND WAGE EMPLOYMENT

Activity time: 20 minutes

Instruction to the student:

The students have to discuss and write the advantage of self-employment, comparing it with wage employment.

WAGE / SALARY EMPLOYMENT	SELF EMPLOYMENT/ OWN BUSINESS

Chapter 1:

SCA-1.3 - ENTREPRENEURSHIP, INNOVATION AND CREATIVITY

Activity time: 20 minutes

Instruction to the student:

The students have to discuss and write at least five creative products and their innovative features. The students can list the most creative and innovative product they have or they want to buy.

Creative Products	Innovative Features

Chapter 1:

SCA-1.4 – IDEA GENERATION

Activity time: 20 minutes

Resources required: A copy of this sheet Instruction to the student:

Write down as many ideas as you can think for a business. Get ideas from your family and friends.

From your list, select three ideas that you believe are the best opportunities for you.

3. Explain why you chose these three ideas rather than the other in the list.

IDEA: 1

IDEA.2:

IDEA 3:

4. For each of the three ideas, prepare a list of questions that you would ask potential customers:

For each of the potential product identified, interview potential customers, using the list of questions. Using the information you gathered, choose the one idea that you feel is best business opportunity.

IDEA 1

IDEA 2

IDEA 3

CHAPTER 2:

SCA-2.1- INDUSTRIES IN WHICH MOST SMALL BUSINESSES ARE USUALLY ESTABLISHED IN OMAN

Activity time: 20 minutes

1. Identify and list the industries in which most Small Businesses are set up in Oman.

2. Write the name of Omani products with the Origin Oman logo.

If you were to start a business, what business would you like to start? Explain the idea

Chapter 2:

SAC -2.2-Advantages of small Business

Duration: 30 minutes

Group activity

Aamir, a friend of you is an engineering graduate. His dream is to become an entrepreneur and run a big Business. Now that he has finished his studies, he wants to start his business. When he consulted his father, his father advised him to start a small business initially and then develop it as a bigger company. But, Amir is interested in starting only a big company and does not like the idea of starting a small business. He is confused and comes to you for advice. Now, you have to advise him by telling the advantages of starting a small business.

Advantages of small business:

Chapter 4

SCA-4.1: Identify the name of the organizations for LOGOs given.

Activity time: 10 minutes

LOGOS	Identify and write the Organizations/ Business
 Omani	
	
	
	
	
	
	
	

Chapter 4:

SCA-4.2: DEFINING THE MARKET SEGMENT FOR THE GIVEN PRODUCTS

Activity time: 10 minutes

PRODUCTS	CUSTOMER / MARKET SEGMENT
	Gender: women Age group: young girls and ladies Location: those who live in big cities Education: Graduates
	
	
	
	
	
	